

## 63-455 Management of Claims

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### 63-455.1 Other Repayment Actions

**Refer to the Management of Claims section of the [CalFresh Processing Guide # 450-01](#)**

### 63-455.2 Inter-state/Inter- county Claims

In cases where a household moves out of state, the County shall initiate or continue collection action against the household for any Supplemental Nutrition Assistance Program (SNAP) overissuance that occurred while the case was under the other state's jurisdiction. The county that overissued benefits shall have the first opportunity to collect the overissuance. However, if the county that overissued benefits does not take action to collect as soon as administratively possible, then the government agency administering SNAP in the area into which the household moves may initiate action to collect the overissuance.

Prior to initiating action to collect claims against households which have moved into the state, the County will contact the agency that overissued benefits to ascertain that it does not intend to pursue prompt collection. Once the County accepts responsibility, claim collection incentive and reporting will be retained by the county that collects the overissuance, regardless of whether the household remains in the state or not (all inter-state transfers will be reported to Food and Nutrition Services (FNS)).

## INTER-COUNTY CLAIMS

When a household moves to another county and:

| If ...                                      | Then ...   |
|---|--|
| The household continues to receive CalFresh | The former county of residence will promptly transmit all overissuance information to the current county of residence. The current county will initiate or continue the overissuance collection until repaid in full or the recipient moves to a subsequent county |
| The household no longer receives CalFresh   | The last county responsible for the initiation or collection of the overissuance will continue to collect the overissuance until it is repaid in full  |

### EXAMPLE

A household resides in county A and is not currently receiving CalFresh. However, there is an outstanding overissuance claim that county A has established and is collecting against the household.

Subsequently, the household moves to county B, applies for and starts receiving CalFresh. County A has an outstanding claim against the household. Upon issuance of CalFresh by county B, county A promptly transmits all overissuance information to county B. County B will now collect any outstanding overissuance.

63-455.3  
Criteria for  
Collecting  
Claims after the  
Case is  
Discontinued

The Office of Revenue and Recovery (ORR) will initiate collection of all Inadvertent Household Error (IHE) and Administrative Error (AE) claims from nonparticipating households (households not currently receiving CalFresh benefits) unless:

- The claim is \$35 or less for IHE, or
- The claim is \$125 or less for AE, or
- ORR has documentation that the liable individual cannot be located.

ORR will initiate collections of all Intentional Program Violation (IPV) claims unless:

- The household has already repaid the overissuance, or
- ORR has documentation showing the household (and its sponsor) cannot be located, or
- ORR determines that collection action will prejudice the case

against a household member referred for legal prosecution.

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63-455.4  
Suspending  
Collection of  
Claims

### **SUSPENDING COLLECTION OF AE AND IHE CLAIMS**

If ORR initiated collection action, and at least one demand letter has been sent, the County may be permitted to suspend further collection action of an IHE or AE claim against a nonparticipating household when:

- The household cannot be located; or
- The cost of further collection action is likely to exceed the amount that can be recovered.

### **SUSPENDING COLLECTION OF IPV CLAIMS**

ORR will be permitted to suspend collection action on IPV claims at any time if it has documentation that the household and/or the sponsor cannot be located.

If collection action was initiated, and demand letters have been sent, ORR will suspend further collection action on any IPV claim against a nonparticipating household or its sponsor when the cost of further collection action is likely to exceed the amount that can be recovered.

- At least one demand letter for claims of less than \$100.
  - At least two demand letters for claims between \$100 and \$400.
  - At least three demand letters for claims of more than \$400.
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63-455.5  
Terminating  
Collection of  
Claims

The County (ORR) will be permitted to determine that a claim is uncollectible after it has been held in suspense for three years. ORR will send the CalFresh closing list to HHSA Fiscal benefit recovery to close the claim in CalWIN.

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63-455.6  
Action against  
Individuals  
Failing to  
Respond to  
Collection  
Letters

For nonparticipating households the County's Office of Revenue Recovery (ORR):

- Will pursue other collection actions, as appropriate, to obtain restitution of a claim against any household or sponsor who fails to respond to written demand letters for repayment of any IPV claim, unless the County can determine that such actions are generally not cost effective.
- May also pursue other collection actions as appropriate, to obtain restitution of a claim against any household or sponsor who fails to respond to written demand letters for repayment of any IHE, or

AE claim unless the County can determine that such actions are generally not cost effective.

These actions include but are not limited to:

- Referrals to collection and/or similar private and public sector agencies,
- State tax refund,
- Lottery offsets,
- Wage garnishments,
- Property liens,
- Small claims court,
- Unemployment Compensation Benefits intercept arrangements may be made to intercept the liable individual's unemployment compensation benefits to collect any claim. This collection may be included as part of a repayment agreement. The unemployment compensation benefits may be intercepted by obtaining a court order and will be credited as "cash" payments,
- Public Service

If authorized by a court, the value of a claim may be paid by the household performing public service,

- Tax Intercept Program

Under the Tax Intercept Program, any individual who has an outstanding CalFresh overissuance may have his/her State and/or Federal tax return "intercepted" by the California Department of Social Services (CDSS) through the State Franchise Tax Board (FTB) **and/or** the Internal Revenue Service (IRS):

- The individual's tax refund diverted to the County will be applied as payment against the claim.
- The County will not intercept taxes simultaneously while an overissuance is being recouped either by allotment reduction or regular payments.
- Clients contacting staff with questions regarding the Intercept Program are to be referred to The Appeals Department at (619) 237-8534 for an Administrative Review.

NOTE: If the individual has requested a State hearing or is awaiting a decision from a State hearing, the County shall notify CDSS to remove the individual from the tax intercept program. (MPP 20-403.24)

63-455.7  
Determining  
Delinquency of  
Claims

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A claim shall be considered delinquent if:

- The claim has not been paid by the due date, and a satisfactory payment arrangement has not been made.
  - The date of delinquency for the claim is the due date on the initial written notification/demand letter. The claim will remain delinquent until payment is received in full, a satisfactory payment agreement is negotiated, or allotment reduction is begun.
- A payment arrangement has been established, and a scheduled payment has not been made by the due date.
  - The date of delinquency for the claim is the due date of the missed installment payment. The claim will remain delinquent until payment is received in full, allotment reduction is begun, or the County determines to either resume or renegotiate the repayment schedule.

A claim:

- Will not be considered delinquent if another claim for the same household is currently being paid either through an installment agreement or allotment reduction, and the County expects to begin collection on the claim once the prior claim(s) is settled.
- Is not subject to the requirement for delinquent debts if the County is unable to determine delinquency status because collection is coordinated through the court system.